

Attachment H – Requested Waivers

Waiver Request 1 - Single-State WSA Designation State of Indiana Effective Program Year 2006

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

Indiana requests a waiver to Section 116 of the Act beginning July 1, 2006. Specifically for Section 116, the Governor requests Indiana be designated as a single-state workforce service area.

Beginning July 1, 2006, the state will be designated as a single workforce service area subdivided into 11 workforce regions. These regions will function as independent sub-state regions with support, approval and oversight by the State. Under the sub-state regions:

- Regional Workforce Investment Boards will be established to provide guidance and direction to the regional workforce system.
- The regions will be funded using the standard formula currently used for sub-state allocations to the current workforce investment boards.
- The Regional Workforce Investment Boards will competitively procure WIA service provision.
- The Regional Workforce Investment Boards will organize services and partner relationships as required under a multi-workforce service area structure.
- The Regional Workforce Investment Boards will be required to develop plans under similar guidance required of local workforce investment boards. The plans will be outcome-based, stress integration of service delivery, and have other requirements that are in-line with Indiana's state plan.
- The regional workforce areas will have sub-state performance targets that they will be responsible for achieving.
- The Regional Workforce Investment Boards/areas will perform other functions required by a workforce investment board or workforce service area..

This approach offers the highest level of success for restructuring the system quickly. We believe that implementing this waiver will enable the state to realize a governance structure that is responsive to the unique characteristics of the Indiana labor market. The waiver will enable Indiana to accomplish its goal of streamlining administration of services, eliminating duplication, and increasing efficiency and coordination in its workforce investment system, leading to improved services.

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

Indiana's workforce development system goals are to:

- Grow jobs and employment.
- Increase personal income
- Deliver premier customer service.

Indiana is setting an aggressive agenda to improve upon the current workforce development system in order to achieve our goals. The cornerstone of the agenda is for Indiana to become a single-state workforce service area. Granting this waiver will permit Indiana to more rapidly and effectively introduce change in a controlled environment. Indiana will be taking aggressive steps to revamp the workforce investment system in order to:

- Align the system with the current and future needs of employees and employers.
- Prepare the system for the Workforce Investment Act reauthorization.
- Strengthen and offer greater flexibility in the state and regional board structures.
- Make the best use of the funding available to the system by maximizing return on investment.
- Integrate service delivery at both the state and regional levels to provide better customer service.
- Build regional capacity in which the workforce development system is closely aligned with industry, economic development and education providers.
- Build a stronger state government.

Describe the individuals impacted by the waiver.

All individuals connected to Indiana's workforce development system will be positively impacted by the waiver. It is our intent to provide the most efficient and effective structure for workforce development and economic development. Service provision will be more closely coordinated to the extent clients will not be aware of funding sources. In this way services will be provided in an innovative and functional manner to better meet the needs of clients. More funding will be available for direct client services as the number of regional areas will be collapsing into more efficiently run areas.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such requests has been provided to the local board.

The State will closely monitor all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and regional areas are operating effectively.

Indiana will introduce and implement concepts that allow for smaller yet stronger regional leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The waiver request, as part of the State Plan, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with elected officials and local boards concerning Indiana's new direction.

**Waiver Request 2 - Mandatory Youth Councils
State of Indiana
Effective Program Year 2006**

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Section 117(h) of the Workforce Investment Act and 20 CFR 661.335 and 661.340 – the Youth Council, and its membership composition, responsibilities and relationship with the local board.

Currently, the Youth Council is a required sub-committee of the Workforce Investment Board. WIA also requires specific types of members to be on the Youth Council, its relationship to the local board, and the responsibilities of the Youth Council. Approval of the waiver will assist Indiana achieve its workforce development goals: increasing employment, increasing personal income, and providing great customer satisfaction. This would be accomplished by having each local area determine if a Youth Council is needed. Additionally, if a local area determines a Youth Council is needed, the composition and responsibilities of the Youth Council would be determined at the regional level. DWD assures that the needs of youth would be met.

In requesting this waiver, Indiana is by no means deemphasizing the importance of youth services and the necessity of youth advocates in local areas. Rather, through this waiver, we are increasing local authority and decreasing bureaucracy by permitting local areas to determine how best to meet the needs of youth. Local authority would be increased and bureaucracy decreased with the membership and responsibilities of a Youth Council determined locally.

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

The requirement for a local youth council is contained in state law. Indiana will be taking steps to remove this requirement prior to program year 2006.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To increase the quality of youth services provided by focusing more on services and less on processes.
- To encourage innovative and replicable youth service design and implementation.
- To promote a greater variety of entities serving as youth advocates and youth program providers.

Program Outcomes

Through this waiver, the State is increasing its emphasis to provide high quality youth services and help implement Department of Labor's new strategic vision on youth services to out-of-school and the neediest youth. The local level will have greater flexibility in determining how information on the needs of youth is provided and how services to youth are designed and provided.

Describe the individuals impacted by the waiver.

- Out-of-school and the neediest youth will be provided higher quality services.
- The local boards will have a stronger role in determining how information on youth will be provided to them.
- A greater variety of youth advocates, entities, and service providers will become involved in the workforce development system.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with chief elected officials and local boards concerning Indiana's new direction prior to the release of the State Plan.

**Waiver Request 3 - Allow Youth to Use Individual Training Accounts
State of Indiana
Effective Program Year 2005**

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Section 123 of the Workforce Investment Act (WIA) and 20 CFR 664.510 – the competitive selection of youth providers and to allow Individual Training Accounts (ITA) for older and out-of-school youth. This would allow the selection of training providers for youth from the eligible training provider (ETP) list.

We were granted this waiver in May 2000 and are requesting an extension. This waiver allows, but does not mandate, youth the flexibility of utilizing ITAs.

The Department of Labor (DOL) has issued a new strategic vision on the delivery of youth services under WIA. DOL emphasizes that youth services be demand-driven, and that WIA services prepare youth most at-risk and the neediest youth for real job opportunities. Approval of this waiver will assist Indiana achieve our goals and assist us in implementing DOL's new strategic vision for youth. It also allows us to reduce much of the administrative costs of procuring training providers for youth.

This waiver would allow older (aged 19-21) and out-of-school youth to select training institutions and courses through the statewide eligible training system called "Education and Training Choices." Indiana believes that older youth and out-of-school youth would benefit from the services provided by these certified training providers. Allowing youth to use ITAs streamlines services, increases customer choice, and increases local flexibility.

Indiana is committed to ensuring that the appropriate youth services are provided in the ten required program elements. To this end, local areas are monitored by the State to ensure all ten program elements have been made available. Monitoring includes compliance with federal and state policy and guidance, and local policy.

Once approval of this waiver is granted, the Department of Workforce Development will revise its current policy on ITAs to include older and out-of-school youth. The policy currently addresses the use of ITAs for WIA training funds. The policy indicates mandatory items to be included in local policy, including what the ITA covers in addition to tuition, duration, and disbursement of funds; limited exceptions to the use of ITAs; consumer choice; and coordination with other funding sources, including Pell Grants.

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

There are no State or local statutory or regulatory barriers.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve youth services through increased customer choice in accessing training opportunities in demand occupations.
- To increase the number of training providers for older and out-of-school youth.
- To provide local boards more flexibility in securing training service providers.
- To promote better utilization of training service providers in rural areas.
- To eliminate duplicate processes for securing training service providers.

Programmatic Outcomes

The numbers of training providers in local areas will increase. Training services for youth will be available in a faster and more efficient manner. Many local areas find it difficult to secure training providers willing to competitively bid to provide training to older and out-of-school youth. When local areas are required to competitively procure training services, the time period for matching training providers to youth who are in need is lengthened considerably. By allowing local boards to purchase training services to older and out-of-school youth from the Eligible Training Provider system, youth will be able to access training services more quickly. Additionally, youth will be able to choose the training provider they prefer.

Describe the individuals impacted by the waiver.

- Older and out-of-school youth will benefit because they will be able to select from a list of certified training providers and will receive services more quickly.
- Local areas will benefit because they will not have to direct their resources to costly and time consuming competitive procurements.
- Training providers will benefit because they will not have to follow two separate procedures to provide training for adults and dislocated workers, which require certification, and for older and out-of-school youth, which required competitive bidding.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

Once approval of this waiver is granted, the Department of Workforce Development will revise its current policy on ITAs to include older and out-of-school youth. The policy currently addresses the use of ITAs for WIA training funds. The policy indicates mandatory items to be included in local policy, including what the ITA covers in addition to tuition, duration, and disbursement of funds; limited exceptions to the use of ITAs; consumer choice; and coordination with other funding sources, including Pell Grants. Local boards will issue policy on the use of ITAs. DWD will monitor the local boards on the use of ITAs based on federal legislation and regulation, and state and local policy. Progress on the implementation of this waiver will be monitored through reports issued by DWD's monitoring unit, fiscal and programmatic reports, and dialogues with local administrators.

Local boards will be afforded an opportunity to comment on the State Plan and waivers through the public review and comment period.

**Waiver Request 4 - Allow Youth Receiving Free School Lunch to Meet Income Eligibility
State of Indiana
Effective Program Year 2005**

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

The State of Indiana is requesting a waiver for Section 101(25) of the Workforce Investment Act and 20 CFR 664.250 – to include youth receiving free school lunches under the National School Lunch Program as a substitute for the WIA Title I income eligibility criteria.

Currently, local programs cannot include eligibility for free school lunches under the National School Lunch Program as part of the criteria for “low income” for WIA Title I income eligibility. Approving this waiver would lessen documentation requirements and allow more youth to be eligible.

Approving this waiver request will not lessen Indiana’s commitment to serving out-of-school and the neediest youth. These youth are targeted under the Department of Labor’s new strategic vision for serving youth. Rather, we are requesting the waiver to simplify the eligibility criteria and lessen documentation requirements for those youth who are at-risk of dropping out of school but still in-school. If the waiver request is approved, guidance issued by the State will emphasize serving out-of-school youth and youth most in-need, indicating eligibility for the free lunch program would be a category of “low income.”

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- Documentation requirements would be lessened.
- Youth eligible for the free lunch program would automatically be considered as “low income” when determining eligibility for Title I WIA, thus increasing youth enrollments.
- Local recruitment efforts would be increased to include youth enrolled in the free school lunch program.

The State anticipates an increased number of youth would be eligible for Title I Youth services should this waiver request be approved. The segment of youth most likely to increase will be those youth who are most at-risk of dropping out but are currently still in-school. These would include youth enrolled in alternative education institutions, youth in foster care, youth in the criminal justice system, children of incarcerated parents, and migrant youth. We anticipate increased enrollments since outreach and recruitment efforts would broaden to include these individuals. Also, documentation requirements would be lessened for these same individuals.

Describe the individuals impacted by the waiver.

- Youth who are most at-risk of dropping out but are currently still in-school will be positively impacted through this increase in eligibility criteria.
- Businesses will be positively impacted as youth will obtain the skills needed to succeed in the 21st century economy.
- Local WIA administrations will be positively impacted. Performance should improve through the positive outcomes earned by the youth participants.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.

**Waiver Request 5 - Time Limit for Initial Eligibility for Eligible Training Provider List
State of Indiana
Effective Program Year 2005**

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the State or local area in the State, as appropriate, intends to achieve as a result of the waiver.

Indiana is requesting a waiver for Workforce Investment Act (WIA) Section 122(c)(5) and Regulations 663.530, dealing with the time limit for initial eligibility for the statewide eligible training provider list.

The Indiana Department of Workforce Development (DWD), the state administrative entity for the Workforce Investment Act (WIA), is requesting a waiver to postpone the “Subsequent Eligibility of Training Providers” until July 1, 2007. The reasons for this request are to improve the WIA performance information and the accountability of the training providers for the determination of subsequent eligibility. This postponement will also allow Indiana to enhance and strengthen the overall individual training account and the eligible training provider processes.

Currently, Indiana has approximately 450 different training providers with over 4,000 programs listed on the State eligible training provider list. The list (called “Education & Training Choices” in Indiana) includes the state’s community college system, the state’s university system, private for profit and nonprofit schools and training agencies. The complete list is located at:
http://www.in.gov/serv/dwd_etc

Indiana’s experience throughout WIA has been the training providers reluctance to collect the necessary data for the eligible training provider list because of the low number of WIA clients enrolled with that provider. These circumstances are especially true with the state university system. Even with the State’s assistance in securing subsequent employment and wage rates for graduates, the cost for collecting and submitting other performance data still outweighs the benefits to be listed on the eligible training provider list.

With a lower number of training providers listed on the eligible training provider list, customer choice will be reduced. This adversely impacts one of the basic principals of WIA – customer choice.

Currently, most of the university system in Indiana is not listed on the eligible training provider list because the cost for collecting and submitting data outweighs the benefits of being included on the eligible training provider list. By not being granted this waiver request, Indiana is certain that many long-standing providers with solid credentials will drop out. Examples of such providers include universities, the state community college system, and other technical schools.

The waiver is written in the format identified in WIA section 189(i)(4)(B) and WIA Regulation 661.420(c).

Describe the actions that the State or local area, as appropriate, has undertaken to remove State or local statutory or regulatory barriers.

Indiana has no State or local statutory or regulatory barriers.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve the data collection from potential training providers, thus increasing the customer choice available to trainees.
- To increase the amount of Workforce Investment Act (WIA) performance information from potential training providers, thus increasing the customer choice available to trainees.
- To allow more time to analyze data to set reasonable criteria for “subsequent eligibility”.
- To allow local areas to increase their familiarity with the Individual Training Accounts and Eligible Training Provider systems.

Programmatic Outcomes

Indiana’s workforce development system will gain time –

- Time to educate the training provider community in the state on the advantages on becoming part of the statewide eligible training provider list.
- Time for the state to develop reasonable and meaningful criteria for the subsequent eligibility process.
- Time for consumers to better understand the importance of the data provided by training entities.

Describe the individuals impacted by the waiver.

The waiver will positively affect all customers (training providers, local WIBs, DWD, and ITA users).

- Training providers initially eligible and on the State List of Eligible Training Providers will have an additional opportunity to establish a WIA performance base before subsequent year determination has to be made.
- Local WIBs will have WIA performance information before having to make subsequent year determinations.
- DWD will have more performance information to determine statewide minimum performance levels for WIA measures.
- ITA users will have a wider selection of training providers for a longer period of time until subsequent eligibility is determined.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.

**Waiver Request 6 - Transfer between Adult and Dislocated Worker Programs
State of Indiana
Effective Program Year 2005**

Identify the statutory or regulatory requirements that are requested to be waived and the goals that the state intends to achieve as a result of the waiver.

The State of Indiana is requesting a waiver to Section 133(b)(4) and 20 CFR 661.420(c) – the authority to transfer up to 30 percent of the allocation between the adult and dislocated worker program. We are requesting a waiver to eliminate the 30 percent limitation on transferring funds between adult and dislocated worker programs at WIA Section 133(b)(4).

Describe the actions that the State has undertaken to remove State statutory or regulatory barriers.

No state statutory or regulatory barriers exist at this time.

Describe the goals of the waiver and the expected programmatic outcomes if the request is granted.

- To improve the ability of local boards to respond to changes within their local areas.
- To increase local control for service delivery.
- To emphasize effective local program management.
- To increase accountability at the state and local area levels.
- To provide greater flexibility to local boards in designing and implementing WIA programs.

Programmatic Outcomes

Indiana believes the increased flexibility and control would allow the local boards to better respond to changes within their areas, thus allowing the local boards the ability to most effectively use limited funds. Local boards would be better suited to more quickly respond to changes in the local region, including the needs of business.

Describe the individuals impacted by the waiver.

The waiver will benefit local boards, employers, customers, and service providers. As local boards have more flexibility to design programs based on local needs and priorities, program customers will benefit.

Describe the process used to monitor the progress in implementing such a waiver, and the process by which notice and an opportunity to comment on such request has been provided to the local board.

The State will be closely monitoring all aspects of Indiana's transition to a more vibrant and innovative workforce development system. Specifically, we will be monitoring ourselves to ensure strong leadership is provided and local areas are operating in accordance with that leadership. We plan to introduce and implement concepts that allow for smaller yet stronger local leadership, increase competitive opportunities for service provision, decrease opportunities

for actual or potential conflicts of interest, increase accountability to our customers, and much more.

All individuals in the State, including chief elected officials, business, labor, citizens, and local boards will be afforded the opportunity to comment upon Indiana's new direction. The State Plan, including waiver requests, will be forwarded for public review and comment. Additionally, the Commissioner will be speaking with current chief elected officials and local board administrators concerning Indiana's new direction prior to the release of the State Plan.